

OFFICE OF PROCUREMENT
Preparing Contractual Documents
LMS-OP-4520 Revision: Q

Approval Original Signed on File
Organizational Unit Manager, Office of Procurement
Date 9/25/08

NASA Langley Research Center (LaRC)
Langley Management System (LMS)

CHANGE RECORD

Rev. No.	Date	Description
B	11/16/00	Incorporates RIG 1815.406 information and portions of LMS-TD-4547 Tabs 71 & 73. Incorporates LMS-TD-4547 Tab 75 & 80 information. Revises paragraphs IV.H.1 and IV.J.2. Adds location of shared spreadsheet for obtaining contract numbers.
C	5/14/01	Clarifies what information is required to be present in PPMs. Deletes that information which repeats regulation or does not control a process.
D	2/20/02	Relocates and adds instructions for accessing the Contract # Assignment Spreadsheet. Incorporates information from LMS-TD-4547, Tab 64 and deletes references to NF 1098 tabs.
E	4/24/02	Removes requirement for Specialists to enter post award synopses, since CLASIC contractor will now perform this function. Removes information that does not control this process. Updates PRC requirements.
F	8/22/02	Adds Section II regarding records. Adds references to available VPO templates, clarifies wording in paragraphs III, A. 2, A. 3, E., F. and G., changed “negotiator” to “negotiation”, deleted reference to WP manual, clarified Master file information for Contract File Documentation in paragraph F., added DCAA/DCMAO point of contact for CS Work File in paragraph G.
G	11/4/02	Removes references to LF P191.
G-1	12/12/02	Clarifies requirements for use of PPM and PNM VPO templates (paragraphs IV.A.2, IV.A.3, and IV.C).
H	3/9/03	Adds membership of PRC to paragraph IV. B and corrects procedure for obtaining contract numbers in paragraph IV.D.
I	4/8/04	Revises CS work file information [paragraph IV. G]
J	6/2/04	Revises PPM, PNM requirements. [paragraphs IV. A and C]
K	9/20/04	Clarifies paragraph I. Clarifies procedure for obtaining a LaRC contract number (paragraph IV. D.). Updates Paragraph IV., E.
L	3/30/05	Paragraph IV, B. Removes Independent Procurement Reviewer from PRC.

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M	6/16/06	Paragraph IV, A. add applicability of LF P141, B. defines PNM package delivery time frame, D. deletes reference to contract types/numbering and addresses contract distribution. Other minor changes for clarification.
N	6/14/07	Paragraph IV, C. Clarifies that a LF 141 Request for Legal Review is required before award and moved requirement for using LF P301 from LMS-OP-4522.
O	9/10/07	Change IV, F. Contract Action Notification to address Procurement Officer involvement in the ANOSCA process.
P	5/13/08	Change IV, F. to include an information copy of ANOSCA's to the Center Director.
Q	9/25/08	Revise IV, A. to delete requirement for PPM associated with noncompetitive actions and the \$1M threshold requirement. PPM can now be documented in the PNM for all actions if the Specialist is also the CO based on issued warrant level. Added guidance to IV, C. to clarify PNM content.

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I. Introduction

This document describes the procedures required for the preparation of contractual documents and maintenance of contract work files.

II. Records

Records generated by this procedure are contained in the Contract Files.

III. Listing of Instruction Topics

- A. Prenegotiation Position Memorandum
- B. Prenegotiation Review Committee
- C. Price Negotiation Memorandum
- D. Contracts
- E. Documentation for Only One Proposal or Less than Three Bids
- F. Contract Action Notification
- G. Contract File Documentation
- H. Contract Specialist's Work File

IV. Instructions

A. Prenegotiation Position Memorandum (PPM) - The PPM explains the Contractor and Government positions and will become the basis for negotiation. The Contract Specialist (CS) shall document the prenegotiation position in accordance with FAR 15 and NFS 1815 using the Virtual Procurement Office (VPO) template. The CS may document the prenegotiation position in the Price Negotiation Memorandum (PNM) if the CS is also the CO based on issued warrant level. A PPM is required for procurements greater than \$10M. Once approved, the prenegotiation position may not be exceeded without prior approval from the Contracting Officer (CO). Legal review when required by LAPD 2030.1 should be requested on a LF P141, except when a Prenegotiation Review Committee is applicable.

B. Prenegotiation Review Committee (PRC) – When required by LMS-OP-4537, a PRC is convened to examine the contract action to insure adherence to law, acquisition policies and procedures, and sound business practices and presents the results and the PRC's recommendations for the CO. The PRC shall include the CO, Procurement Officer (PO) or Deputy Procurement Officer (as Chairperson), cognizant Branch Head, Office of the Chief Counsel (OCC) representative, Cost/Price Analyst representative, Technical Representative, and CS (as Recorder).

1. Scheduling Review - The CS shall:

a. Arrange for a suitable conference room for the PRC meeting and schedule the meeting as far in advance as possible to give the attendees ample time to fit it into their schedule. The complete package should be distributed at least 2 days prior to the meeting date. The review package should contain the following documents:

Notice of Meeting
PPM
Price/Cost Memorandum
Technical Analysis Memorandum
Field Pricing/DCAA Report (if applicable)
Contractor's Business/Cost Proposal (or pertinent pages from the proposal)
Proposed Contract or Supplemental Agreement

In addition to the foregoing, the CS shall include any documents, regardless of sources, that would enhance the PRC's understanding of the action or aid the PRC in performing its review.

b. Open the meeting with a brief oral summary of the procurement action under review. Next, the CS shall describe their negotiating position by summarizing the elements of the PPM. The CS shall also be prepared to discuss the details of the other documents listed in 1a. above.

c. Upon completion of the review, implement the recommendations of the PRC.

2. Documenting PRC Findings and Recommendations - A written report of the PRC's review shall address each substantive item considered and summarize the discussion of it, identifying any present or potential problem or deficiency, its effect on the proposed contract, and the PRC's conclusion or recommendation regarding the item. If unanimity cannot be reached on an item, an individual member may document his or her minority view for attachment to the PRC report. The report shall conform substantially to the format shown on VPO. The original report shall be retained in the contract file, with a copy to OCC. The CO shall assure that the PRC's recommendations are implemented; however, if the CO considers that any substantive recommendations by the PRC are inappropriate, deviation from the recommendations must be approved by the PO, in writing.

3. Waiver of Prenegotiation Position Review - In certain circumstances, the PO may waive the requirement for a Prenegotiation Position Review by the PRC. In such instances, however, the CO must perform an in-depth review of the Prenegotiation objective and approve it by signing and dating the bottom of the PPM.

C. Price Negotiation Memorandum (PNM) - The CS shall prepare the PNM in accordance with FAR Part 15 and NFS Part 1815 using the VPO template. When the PPM is documented in the PNM per paragraph IV. A. above, the PNM is considered a "stand-alone" document and shall contain the information required by the FAR and NFS for both PPMs and PNMs. However, when a PPM document is prepared, the subsequent PNM need only provide any information required by FAR 15.406-3 that was not provided in the PPM, as well as any changes in the status of the factors affecting cost elements. Legal review when required by LAPD 2030.1 should be requested on a LF 141 before award.

When cost or pricing data are required, the Contractor shall execute a Certificate of Current Cost or Pricing Data at the conclusion of price negotiations and agreement. FAR Part 15 provides information pertaining to this topic.

If field pricing support was obtained, the CO shall forward a copy of the negotiation memorandum to the office(s) providing assistance via use of LF P301, Negotiation Memo Submittal. Field pricing support consists of all audits and other specialized effort necessary for the CO to determine the reasonableness of the proposed cost or price. This does not include requests for rates and factors.

D. Contracts - FAR Part 4.2 and NFS1804.2 contains information pertaining to the distribution of documents. Specialists shall ensure copies of the awarded contract document are provided to the following applicable representatives: Small Business Administration Procurement Center Representative (subcontracting plan only, if applicable), Contracting Officers Technical Representative, Industrial Property Officer, and the NASA Center of Aerospace Information (R&D contracts only). Copies of modifications to contracts shall be provided to the Financial Management Office of Chief Financial Officer.

E. Documentation for Less than Three Bids or Only One Proposal - When fewer than three responses are received to an Invitation for Bids or when only one proposal is received in response to a solicitation, the CS shall determine if the solicitation was flawed or unduly restrictive and determine if the single proposal is an acceptable proposal in accordance with NFS 1815.305-71. After a favorable determination has been made, the CS shall document the findings in the source selection statement.

F. Contract Action Notification - All contract actions with anticipated values of \$25 million or greater require Administrator notification. The Procurement Officer (PO) shall be provided a copy of each Administrator Notification of Significant Contract Action (ANOSCA) before forwarding to NASA Headquarters. After PO approval, an information copy of the ANOSCA shall be provided to the Center Director via the PO. All applicable contract actions (ANOSCA and public announcements) shall be processed in accordance with NFS 1805.303-71 and 1805.303-72.

G. Contract File Documentation

1. The NF 1098, "Checklist for Contract Award File Content," shall be used for all procurements (including construction, A&E, SBIRs and STTRs, AOs, NRAs and Cooperative Agreements with for-profit firms) in excess of the Simplified Acquisition Threshold, except for procurements conducted in accordance with FAR Part 13. A LF P334, "Checklist for Simplified Acquisitions Using FAR 13.5 Procedures," shall be used for procurements conducted in accordance with FAR Part 13.5. The NF 1098 shall be used as the "top page" in contract files and new work modifications. The NF 1098 is not required for delivery orders or task orders placed under IDIQ contracts.

2. Upon selection of a contractor(s) for award, the official documentation created and maintained by each Source Evaluation Board/Team should be filed behind the

appropriate tabs in the contract file. Source Selection information shall be marked according to FAR Part 3.

3. If multiple awards were issued, the CS should set up separate files for each award and file a copy of the original offer in the respective file. Any documentation common to all contracts in a multiple award situation should be filed in the master file with a reference shown in the respective award file.

4. Whether a Support Contractor or a CS maintains any portion of the official contract file, the filing system must contain a card that indicates that the file has been signed out and to whom.

5. When a contract file has been reviewed pursuant to LMS-OP-4537, the reviewer's comments and their resolution should remain in the document file as part of the official record.

H. Contract Specialist's Work file

Unless the CS maintains the files in their office, the CS shall retain a contract work file which includes, as a minimum, a copy of the contract and all modifications.